**Process for Program Reduction**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Housing Authority (PHA) will adopt measures at the direction of the Executive Director/President/CEO to manage program operations within the guidelines of HUD’s regulations and within the funding HUD makes available.

As a last resort, PHA will terminate HAP contracts, in accordance with HUD requirements, if it is determined that funding appropriated under the consolidated Annual Contributions Contract (ACC) is insufficient to support continued assistance for Families in the program. **24 CFR § 982.454**.

1. Determination to Terminate HAP Contract(s)

HAP contracts will not be cancelled until all rents to owners have been reconciled to rent reasonableness;

No action will be taken to cancel the HAP contracts of Elderly or Disabled Families.

ED will review the dollar value of contracts that must be terminated in order to operate the program within budgetary limits.  PHA will document the determination before any contracts are cancelled on the basis of insufficient funding.  The review will include but is not limited to:

1.   an analysis of the amount of rent paid by each Family; and

2.   an analysis of the length of time each Family has been participating (in succession) on the program with a correlation of the income of each Family and the amount of rent paid.

PHA will utilize a random lottery selection process to determine which families will be terminated from the program.

1. Order of Termination/Withdrawal

PHA will utilize the following order by priority for the termination of housing assistance and withdrawal of housing opportunities in the instance of insufficient funding.

1. Families that have been issued vouchers but have not yet located housing for which a HAP is paid.

2. Families that have been identified pursuant to the direction of the Executive Director/President/CEO.

1. Resumption of Assistance for Impacted Families

1. PHA will document the names of every Family terminated from the Section 8 program due to insufficient funding and maintain these names on a Waiting List.  When funding is available, PHA will offer vouchers to these Families before Applicants on the Section 8 Housing Choice Voucher Waiting List.

2. PHA will initially resume housing assistance for Families with cancelled HAP contracts followed by Families with vouchers withdrawn before contracts were initiated.

3. Families that have been without housing assistance for six (6) months must be screened to ensure their continued eligibility.